

Message Text

SECRET

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51

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W
----- 017290

O R 091600Z AUG 75
FM AMEMBASSY LISBON
TO SECSTATE WASHDC IMMEDIATE 3721
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY STOCKHOLM
USMISSION NATO

S E C R E T SECTION 1 OF 2 LISBON 4536

EXDIS

DEPT PLEASE PASS INFO DIA WASHDC, USCINCEUR VAIHINGEN GER,
CINCLANT NORFOLK VA

EO 11652: XGDS-4
TAGS: PINT, PO
SUBJECT: CONVERSATION WITH PRESIDENT COSTA GOMES

SUMMARY: COSTA GOMES ADMITS NEWLY INSTALLED GOVERNMENT HAS
"NARROW BASE" BUT SAYS IT IS STRICTLY A TRANSITION GOVERNMENT
CONSISTING OF NON-PARTY TECHNICIANS. "IT WILL HAVE A SHORT
LEFT." COSTA GOMES INTENDS TO CONVENE POLITICAL PARTIES
NEXT WEEK IN EFFORT TO FORM A BROADER BASED GOVERNMENT.
CLAIMS AFM WILL GO AHEAD WITH ELECTIONS AT NATIONAL AND
LOCAL LEVELS. WHILE DEPLORING LOSS OF LIFE, SAYS ANTI-
PCP VIOLENCE HAS "CLARIFIED SITUATION." URGES WEST NOT
TO BE HOSTILE TO PORTUGAL SINCE THIS ONLY PUSHES THEM FURTHER
TO THE LEFT. END SUMMARY

1. CALLED ON COSTA GOMES TODAY AUGUST 9. SINCE APPOINTMENT
MADE AT LAST MINUTE PRIOR TO MY DEPARTURE ON CONSULTATION, I
WAS ONLY ABLE TO SPEND HALF AN HOUR WITH HIM. WHEN I LEFT
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VASCO GONCALVES AND NAVY CHIEF OF STAFF ADMIRAL PINHEIRO DE

AZEVEDO WERE WAITING. BOTH JOKED WITH ME ABOUT THE INABILITY OF NON-LATIN COUNTRIES TO UNDERSTAND WHAT I DESCRIBED AS TOTALLY CONFUSING SITUATION.

2. TOLD COSTA GOMES FIRST QUESTION I WOULD MOST LIKELY BE ASKED IN WASHINGTON WAS WHY USG SHOULD CONTINUE TO SUPPORT GOP IN LIGHT OF RECENT DEVELOPMENTS. NEW GOVERNMENT HAD EXTREMELY NARROW BASE. PUBLIC SUPPORT FOR AFM WAS DROPPING RAPIDLY. THE PRESIDENT HIMSELF HAD SAID LISBON WAS BECOMING INCREASINGLY ISOLATED. THERE ALSO SEEMED TO BE GROWING HOSTILITY TOWARD THE WEST.

3. I CITED AS EXAMPLE OF THE LATTER THE FACT THAT COSTA GOMES HIMSELF HAD REQUESTED TECHNICAL ASSISTANCE FROM USG DURING A CONVERSATION WITH ME AT LEAST FOUR MONTHS AGO. AS A RESULT WE HAD SIGNED AN AGREEMENT, BUT GOP HAD SO FAR NOT ASKED FOR ANY TECHNICIANS UNDER THE AGREEMENT. IT WAS CLEAR FROM MY SOURCES THAT GOP WAS MORE INTERESTED IN TECHNICIANS FROM THE EAST THAN FROM THE USG. COSTA GOMES APPEARED SURPRISED AT THIS AND WALKED TO HIS DESK AND MADE NOTE OF IT.

4. I ALSO STRESSED TO PRESIDENT THAT RECENT DEVELOPMENTS WOULD HAVE AN IMPACT ON PUBLIC AND CONGRESSIONAL OPINION, MAKING IT MORE DIFFICULT FOR USG TO CONTINUE ITS SUPPORT. PROMISED TO SEND HIM THE BUCKLEY AMENDMENT AS AN EXAMPLE OF ATTITUDE BEING TAKEN BY SOME IN CONGRESS.

5. COSTA GOMES REPLIED THAT THE GOVERNMENT DID HAVE A NARROW BASE, BUT IT ALSO HAD AN ADVANTAGE. THIS WAS THE FIRST GOVERNMENT COMPOSED OF NON-PARTY TECHNICIANS. I NOTED THAT WHILE THEY MAY NOT HAVE ANY FORMAL CONNECTIONS WITH POLITICAL PARTIES, SOME MEMBERS OF THE GOVERNMENT WERE KNOWN WIDELY TO BE INFORMALLY LINKED TO ONE PARTICULAR PARTY. I CITED FOREIGN MINISTER RUIVO AS AN EXAMPLE. COSTA GOMES SAID RUIVO'S CONNECTIONS WERE NOT WITH PCP, BUT WITH EX-MES GROUP (JORGE SAMPAIO) AND FAR LEFT SOCIALISTS.

6. IN ANY EVENT, HE SAID GOVERNMENT WAS STRICTLY A TRANSITION GOVERNMENT. THERE WAS NO GOVERNMENT MACHINERY
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NOW, AND SOMETHING WAS NEEDED TO SOLVE IMMEDIATE PROBLEMS. "THIS GOVERNMENT," HE SAID, "WILL HAVE A SHORT LIFE."

7. COSTA GOMES SAID HE INTENDED TO GET TOGETHER NEXT WEEK WITH THE POLITICAL PARTIES WITH THE OBJECTIVE OF PUTTING TOGETHER A BROADER BASED GOVERNMENT. I SAID I HOPED THIS MEANT A GOVERNMENT THAT WOULD BE MORE REPRESENTATIVE OF THE PEOPLE'S VIEWS AS DEMONSTRATED BY THE ELECTIONS. HE SAID IT

WOULD BE.

8. GIVEN THE NATURE OF THE PRESENT CRISIS, I WONDERED IF THE POLITICAL PARTIES HAD THE NECESSARY FLEXIBILITY AMONG THEIR ADHERENTS TO FORM A COALITION GOVERNMENT. COSTA GOMES ADMITTED THIS MIGHT BE A PROBLEM, BUT SAID THAT MUCH OF THE DIFFICULTY WAS DUE TO A PERSONALITY CLASH BETWEEN SOARES AND VASCO GONCALVES.

9. IN AN EFFORT TO DRAW HIM OUT I ASKED ABOUT THE SO-CALLED NINE, THE SIGNERS OF THE MELO ANTUNES DOCUMENT. WOULD THEY PLAY A ROLE IN THIS POLITICAL PROCESS? HE SAID NO. HE WAS RELUCTANT TO COMMENT FURTHER ON THE DOCUMENT OTHER THAN TO SAY THE TIMING HAD BEEN VERY BAD (SEE LISBON 4519).

10. I SAID WASHINGTON WOULD ALSO BE INTERESTED IN WHETHER AFM INTENDED TO FULFILL ITS ORIGINAL COMMITMENT TO GO AHEAD WITH ELECTIONS FOR PARLIAMENT AND LOCAL GOVERNMENTS. COSTA GOMES SAID THAT WAS STILL THEIR INTENT. HE NOTED PARENTHE-
TICALLY THAT IT WAS A PITY THAT THE COALITION GOVERNMENT HAD BROKEN UP SINCE THIS HAD SLOWED THE ELECTORAL PROCESS.
CARLUCCI

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEES.

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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O R 091600Z AUG 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 3722

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AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY STOCKHOLM

USMISSION NATO

S E C R E T SECTION 2 OF 2 LISBON 4536

EXDIS

DEPT PLEASE PASS INFO DIA WASHDC, USCINCEUR VAIHINGEN GER,
CINCLANT NORFOLK VA

11. I SAID THAT IN LIGHT OF PAST EVENTS WASHINGTON WOULD SURELY WONDER WHETHER PCP WOULD ALLOW COSTA GOMES THE NECESSARY STABILITY TO CONDUCT A POLITICAL DIALOGUE. I HAD OBSERVED PCP IN THE PAST TAKE ADVANTAGE OF EVERY OPENING TO CONSOLIDATE ITS POSITION. I RECOGNIZED THAT PCP HAD RECENTLY LOST SUPPORT AND WAS PRESENTLY KEEPING A LOW PROFILE, BUT THEIR TRACK RECORD INDICATED THAT THEY WOULD TAKE ADVANTAGE OF THE FIRST OPENING AVAILABLE TO THEM TO IMPEDE THE FORMATION OF A BROAD-BASED GOVERNMENT. I ALSO NOTED LEFTIST FRINGE GROUPS SUCH AS UDP SEEMED TO BE GAINING ADHERENTS.

12. COSTA GOMES SAID IT WAS TRUE THAT PCP WAS LOSING SUPPORT AND FRINGE GROUPS WERE GAINING. HOWEVER LATTER WERE OF LITTLE IMPORTANCE IN OVER-ALL POLITICAL SCENE. TO MY SURPRISE HE SAID THAT RECENT WAVE OF VIOLENCE IN THE NORTH AGAINST PCP HAD BEEN HELPFUL POLITICALLY. WHILE HE DEPLORED LOSS OF ONE OR TWO LIVES, THE VIOLENCE HAD "CLARIFIED THE SITUATION." HE USED THE TERM "CLARIFIED" SEVERAL TIMES IN
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THIS CONNECTION.

13. I ASKED WHAT HE THOUGHT THE WESTERN RESPONSE SHOULD BE TO PRESENT SITUATION IN PORTUGAL. HE SAID THAT HE HAD TOLD ME MANY TIMES BEFORE THAT WESTERN HOSTILITY HAD BEEN RESPONSIBLE IN LARGE MEASURE FOR MOVING GOP TO THE LEFT. IF WEST HAD BEEN MORE UNDERSTANDING, HE NOTED, WE COULD HAVE TAKEN A SOFTER LINE AND GONE MORE SLOWLY. WE COULD HAVE BEEN MORE "USEFUL" TO THE WEST, HE SAID, HIS PRINCIPAL COMPLAINTS, AS USUAL, CENTERED AROUND THE WESTERN PRESS AND FAILURE OF THE WEST TO COME UP WITH AID SOON ENOUGH. USING STRONGER WORDS THAN CUSTOMARY FOR HIM, HE SAID THAT WORLD NOW KNOWS PORTUGAL HAS A CERTAIN IMPORTANCE. "DO NOT BE HOSTILE TO US."

14. I REPLIED THAT, AS HE KNEW, THE WESTERN PRESS WAS INDEPENDENT. USG HAD CERTAINLY BEEN ANYTHING BUT HOSTILE. WE WERE THE ONLY COUNTRY SO FAR TO COME UP WITH SIGNED AGREEMENTS FOR A TANGIBLE AID PROGRAM. HE SAID HE RECOGNIZED THIS AND WAS TALKING ABOUT THE WEST IN GENERAL, NOT THE U.S. THERE WAS A NEED FOR TOLERANCE ON THE ECONOMIC SIDE.

15. I SAID THAT GOP COULD NOT HAVE IT BOTH WAYS: ATTACK CAPITALISM ON THE ONE HAND AND CRY BOYCOTT ON THE OTHER. BUSINESSMEN MAKE THEIR OWN DECISIONS AND THEY HAVE REACHED

THE POINT WHERE LABOR UNREST, AND FALLING MARKETS AND PRODUCTIVITY ARE REQUIRING ADDITIONAL INVESTMENT DECISIONS. STATEMENTS THAT CAPITALISM WILL BE DONE AWAY WITH IN PORTUGAL OBVIOUSLY HAVE AN ADVERSE EFFECT ON THESE DECISIONS. COSTA GOMES AGREED THAT IT WAS ILLOGICAL TO CRITICIZE CAPITALISM AND THEN ACCUSE THE WEST OF ECONOMIC BOYCOTT, BUT CLAIMED NO HIGH GOVERNMENT FIGURE HAD EVER DONE THIS. I TOLD HIM I HAD LISTENED TO VASCO GONCALVES'S SPEECH YESTERDAY AND HAD READ HIS VIOLENT ATTACK ON CAPITALISM AT THE INTERSINDICAL MEETING A WEEK AGO. THEY WERE HARDLY REASSURING. COSTA GOMES NODDED AND MADE ANOTHER NOTE.

16. I ADDED THAT BUSINESSMEN WERE FLEXIBLE, BUT THEY COULD NOT CONTINUE MUCH LONGER WITHOUT SOME GUIDANCE. GOP HAD TAKEN NO MEASURES TO DEAL WITH PLANT TAKEOVERS, AND AFTER MANY MONTHS OF PROMISES THERE STILL WAS NO ECONOMIC PLAN DEFINING WHAT INDUSTRIES WOULD BE OPEN TO THE PRIVATE SECTOR.

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COSTA GOMES SAID THESE WERE REASONABLE COMPLAINTS WHICH HE WOULD ASK CABINET TO ADDRESS.

17. COMMENT: IT IS NOT HARD TO SEE WHY MODERATES BECOME FRUSTRATED WITH COSTA GOMES. HIS CONSISTENT ATTITUDE IS THAT HE CAN BRING PEOPLE TOGETHER AND "WORK THINGS OUT." HE SEEMS TO AGREE WITH OUR CONCERNS -- INDEED HE SAYS MANY OF THE SAME THINGS PUBLICLY -- BUT THEY DON'T APPEAR TO WORRY HIM. HE PREFERS THE SLOW, PLODDING APPROACH TO ANY KIND OF DYNAMIC ACTION. MANY PEOPLE, INCLUDING ME, HAVE TRIED TO BUILD A FIRE UNDER HIM, BUT HE JUST SEEMS TO BE MADE OF ASBESTOS.

CARLUCCI

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEES.

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